



Insurance Department

State of Utah

GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor
NEAL T. GOOCH
Insurance Commissioner

State of Utah Title and Escrow Commission Meeting Meeting Information

Date: November 19, 2012 **Time:** 9:00 AM **Place:** East Bldg, Spruce Room

MEMBERS

(Attendees = x)

COMMISSION MEMBERS

xChair, Larry Turner Blake, *Washington Cnty* xJerry M. Houghton, *Tooele Cnty*
xCo-Chair, Kirk Donald Smith, *Weber Cnty* xDirk Keyes, *Public Member*
xCortlund G. Ashton, *Salt Lake Cnty*

DEPARTMENT STAFF

xPerri Babalis, *AG Counsel* xBrett Barratt, *Deputy Comm.* xMark Kleinfeld, *ALJ*
xSuzette Green-Wright, *MC Dir.* xTammy Greening, *Examiner* Adam Martin, *Examiner*
xJilene Whitby, *PIO Recorder*

PUBLIC

David Moore	Pete Stevens	Tige Garner
Carol Yamamoto	Matt Sager	Lincoln Scoffield
Jeff Wreaver	Mike Smith	James Seaman

MINUTES

General Session: (Open to the Public)

- **Welcome** by Larry Blake, Chair at 9 AM.
- **Adopt Minutes for 10-15-2012 and 11-7-2012 Meetings**
Motion by Cort to accept minutes of 10-15-2012, seconded by Dirk, vote was unanimous.
Motion by Cort to accept minutes of 11-7-2012, seconded by Kirk, vote was unanimous.
- **Reports**
 - **Concur with Licensee Report** / Tammy
 - Larry noted that the licensing list did not seem to be listing the full legal name of agencies. He asked if the name of a company on a trust deed could be just the dba name rather than the full name of the agency. Perri said an agency should list their full name when seeking a license from the department. Cort said First American was required to use their dba. He noted that there were two issues here. First, when someone applies for a license, should we raise the standard? Second, what about reinstatements and renewals, do we lower or raise the standard?
 - Larry did not know what the department was requiring. Agencies are being licensed without divulging who the legal entity is. Can an insurance license be obtained without divulging who the legal entity is? Brett thought not but will find out for next month's meeting.
 - Blake said the second issue was, "does the full entity name need to be on the legal document to comply with the trustee requirement here in the State of Utah? The report back was that you did need to use the full name. Brett agreed that this was the determination of the department working with Ms. Babalis. Perri and Brett will work together to determine what needs to be done and will report back next month.
 - Cort made a **motion** to concur with the report. Whatever Perri and Brett come back with can be dealt with then. Jerry seconded it and the vote was unanimous.
 - **Concur with Complaint & Enforcement Reports** / Suzette

- Suzette included another report about agency visits. She described various types of visits and reasons for them. They are made about every 3-4 years. Tammy and Adam do the visits and normally call the agency a week or two prior to the visit. Suzette noted that this does not include targeted visits but it could.
 - Commission and department staff discussed if agency names should be included. Cort also suggested changing the term “Target” to Visit.” Tammy said the visits are to obtain specific information. They are not random visits.
 - Brett said they would make suggested changes and bring it back next month. Cort thought it would be good to share with the industry.
 - Brett said one reason for the visits was to get to know those in the industry better so licensees would know who to call if they have questions or concerns.
 - Cort noted that for the past two years the department was closing more cases than they were opening.
 - Cort **concurred** with the report, Jerry seconded it and the vote was unanimous.
- **Request for Dual Licensee Expedited Request:** None
- **Request for Attorney Exemption:** None
- **Administrative Proceedings Action / ALJ**
 - **Stipulation & Order:**
 - **Utah Standard Title Ins Agency, LLC**
Default and Default Order. About two years ago the Commission concurred with an Order against Utah Standard. Standard did not comply. A hearing was then set but Standard did not appear. This Order revokes their license. The owner told Tammy they were aware of the action. They have done no work for a long time. **Motion** by Dirk to concur, seconded by Cort and the vote was unanimous.
 - **Bonneville Superior Title Co, Inc.**
They failed to renew their agency license and did 82 closings without a license. A \$1,500 assessment is recommended. Jerry made a **motion** to concur, Cort seconded it and the vote was unanimous minus Kirk who recused himself.
 - **Request for a Hearing: Home Abstract & Title Co., Inc.**
Mr. Kleinfield asked the Commission if they would like to hear this case in January or December. Commission said they would. The hearing date will be set December 18. Usually hearing last a day or less.
 - **Order on Motion:** None
 - **Informal Adjudicative Proceeding & Order:** None
 - **Formal Adjudicative Proceeding:** None
- **Old Business**
 - **Proposed Rule R592-17, “Minimum Mandatory Search for a Real Estate Transaction”**
 - Cort provided update on the Business and Labor Interim Meeting November 14th. They wanted to know why the Commission had not written a Minimum Mandatory Search rule yet. Kirk, Perri and Commissioner Gooch attended.
 - Cort noted that the subject of the Minimum Mandatory Search was never a topic on the Commission’s agenda and was not recommended by them. It was suggested that Tom Hatch may have recommended it to the Department’s bill sponsor. One of the options discussed by the Commission was the existing contracts with underwriters. Another option being pursued is a proposal from underwriters themselves as to minimum search standards. Cort told the Business and Labor Committee that this topic it is still on their agenda.
 - Larry asked underwriters present for their comments. Jeff said ULTA formed an underwriter section, has reviewed and discussed the rule and submitted a redline proposal to the Commission. This section represents 96% of title insurance business.

- Matt provided a proposed version that Cort saw. He did not see a final draft. Jeff will send it to him. The group as a whole reviewed some of the proposed changes to the Commission's rule.
- Underwriters may propose their own rule down the road.
- **New Business**
 - **Meeting Schedule for 2013** / Brett
Larry pointed out that the 2013 schedule was at the bottom of today's agenda. The schedule is the same as last year. Meetings are on the second Monday except when there is a holiday and then it will be bumped back a week. Kirk made a **motion** to concur, seconded by Dirk and the vote was unanimous.
- **Other Business**
 - **Brett** reported that the Department's clean-up bill had passed out of the Business and Labor Committee. A copy of the bill is on the department's website with a summary of changes.
 - **Cort** said ULTA may ask someone to sponsor a bill containing the definition of escrow.
 - **Carol** asked if anyone knew about changes regarding lenders. Will this affect escrow? Cort thought it might be about combining HUD and CFPB. Software changes were probable. Nothing definite yet. ULTA has a timeline on their website. CFPB's website has information on it. A final rule or amendment may be coming out.
 - **Cort** noted that he wrote an article for the last ULTA newsletter noting that Jerry, Dirk and his terms will end July of 2013 and encouraged people to apply.
- **Executive Session** (Not needed)
- **Adjourned:** Cort made a **motion** to adjourn at 9:52 PM
- **Next Meeting:** December 10, Spruce Room
-

2012 Meetings in Spruce Room
Dec 10

Adopted - 2013 Meeting Schedule in Spruce Room
(2nd Monday except on Holidays, then 3rd Monday)

Jan 14	Feb 11	Mar 11	Apr 8	May 13	June 10
July 8	Aug 12	Sep 9	Oct 21	Nov 18	Dec 9